

# Creating Ecotourism in Costa Rica, 1970–2000

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Between the 1970s and the 2000s, Costa Rica became established as the world's leading ecotourism destination. This article argues that although Costa Rica benefited from biodiversity and a pleasant climate, the country's preeminence in ecotourism requires more than a natural resource endowment explanation. While previous literature has emphasized the efforts of the government and nongovernment organizations, this article demonstrates the critical role of small entrepreneurs in the co-creation of the industry. Making extensive use of oral history, the article explores the role of tour companies in drawing affluent Western ecotourists to the country, and of the creators of ecolodges and other forms of accommodation in providing them with somewhere to stay. Clustering created positive externalities, drawing new entrepreneurs into the industry who could also learn from knowledge spillovers. There were downsides to the new industry. The creation of the national image of a natural paradise enabled many businesses which were not environmentally sustainable to free ride on the green image.

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This article examines how the Central American nation of Costa Rica became a global center for ecotourism during the late decades of the twentieth century. This was an era when the country flourished as an overall tourist destination. Total tourist arrivals increased from 155,000 in 1970, to 435,000 in 1990, and to 1.1 million in 2000, with revenues generated by tourism growing from US\$21 million to \$1.15 billion over that period.<sup>1</sup> The distinctive feature of this tourism boom, however, was that much of it appeared driven by ecological interests. There are porous boundaries between conventional tourism and ecotourism, which emerged as a defined concept quite recently. It was only in the 1990s that the non-profit International Ecotourism Society articulated what became the most widely accepted definition of ecotourism as “responsible travel to natural areas that conserves the environment and improves the well-being of local people.”<sup>2</sup> On the broad basis of that definition, a takeoff of ecotourism in Costa Rica was underway by the late 1980s, with visits to protected forest areas increasing from 287,000 in 1987 to 866,000 in 1999.<sup>3</sup> A survey conducted in 1997 suggested that the average foreign tourist spent approximately two-thirds of his or her time in Costa Rica in protected areas or traveling to them.<sup>4</sup> International surveys regularly placed Costa Rica at or near the top of tropical ecotourism destinations, and a standard text on ecotourism noted that “the country was perceived internationally as the world’s prime ecotourist destination,” ahead of such forerunners as Kenya, Nepal, and the Galapagos Islands.<sup>5</sup>

The business history of tourism remains, as a pioneering study noted nearly a decade ago, only partially explored empirically, despite the size of the global industry and its economic, social, and environmental impact. It has long been evident that first-order endowments of natural resources or cultural heritage alone cannot explain the emergence of particular locations or countries as tourist centers. Rather, as Philip Scranton observed in the preface to that study, the emergent literature has identified the role that entrepreneurs and firms played in the commodification of “places.”<sup>6</sup> Laurent Tissot has shown the importance of hoteliers and railroad companies, for example, in the growth of the Swiss tourist industry in the nineteenth century, as the cold and barren mountains of the country were rebranded

1. For 1970, see Weaver, *Ecotourism*, 84; for 2000, see Hidalgo Capitán, *Costa Rica en evolución*, 255.

2. Honey, *Ecotourism*, 6–10, 15–16.

3. Gámez and Obando, “La Biodiversidad,” 179.

4. Deshazo, “Linking the Growth in Tourism,” 253.

5. Inman, “Tourism in Costa Rica,” 110; Honey, *Ecotourism*, 160.

6. Scranton and Davidson, *Business*, vii–viii.

as healthy meccas for winter recreation.<sup>7</sup> Similarly, railroad companies were important influences on the development of national parks and tourism in the American West.<sup>8</sup> Other studies have traced the way in which airlines and hotel chains cooperated with governments to expand American tourist travel to Europe and Latin America after World War II. The emergence of the postwar travel trade not only reflected consumer demand to visit cultural and natural attractions, but it also responded to the changing ideas and interests of tourists and policymakers, such as the ideological currents of the Cold War and notions of comfort and familiarity.<sup>9</sup>

Research on the growth of tourism enterprises in Latin America has focused heavily on the introduction of air traffic routes from the United States by Pan American World Airways (Pan Am) and Braniff International Airways, and by large airline-owned or allied hotel chains such as Intercontinental Hotel Corporation.<sup>10</sup> In the categories of beach and tropical tourism, business historians have also prioritized investigation of large-scale resorts such as Club Med and the often-troubling effects of post-1960 mass tourism on fragile environments such as Maui.<sup>11</sup> Although small-scale seaside destinations and enterprises have received increasing attention, and the cluster or “industrial district” model has been applied to the chiefly locally owned tourism industry of the Balearic Islands,<sup>12</sup> emphasis has remained on large multinational firms, European settings, and cultural, urban, and beach tourism.

The Costa Rican ecotourism case, by contrast, involves nature tourism conducted by small businesses, which remain understudied despite their importance within the industry more broadly. The fragmented ecotourism literature, too, has long neglected small, for-profit firms and entrepreneurs in favor of such topics as ecotourist characteristics and market segments, tourist impact on protected lands and wildlife, non-profit community-based ecotourism programs, and theoretical definitions of the field. Insofar as small firms have received attention, it has largely been to explain their high rate of failure, which may partly account for the lack of interest in longitudinal studies of more successful enterprises.<sup>13</sup> The history of Costa Rican ecotourism not only fills these lacunae in one important national case,

7. Tissot, *Naissance*.

8. Orsi, *Sunset*.

9. Endy, *Cold War Holidays*; Quek, “Globalizing.”

10. Quek, “Globalizing,” 205; Coldwell, “History of Braniff.”

11. Furlough, “Club Méditerranée”; Blackford, *Fragile Paradise*.

12. Walton, “Seaside Tourism”; Cirer-Costa, “Majorca’s Tourism Cluster.”

13. Weaver and Lawton, “Twenty Years On.” This assessment remains true nearly a decade later.

but it also offers compelling evidence on the emergence of new tourism categories, the role of business in commodifying existing natural endowments, and the impact of changing ideas—in this case, conservation, biodiversity, and environmentalism—on both entrepreneurs and tourists. Ecotourism was only formally defined as a category in the late twentieth century, although it can be traced back to earlier decades of nature- and wildlife-based tourism in East Africa, Antarctica, and the Galapagos Islands, as well as international bird-watching tours.<sup>14</sup>

The existing literature on the emergence of Costa Rican ecotourism has focused on the role of the state, especially the creation of the national park system.<sup>15</sup> While acknowledging the role of public policy, this article argues that the growth of the ecotourism industry is better seen as a case of co-creation, involving small entrepreneurial start-ups operating private reserves, tours, and accommodations, as well as environmental and scientific nongovernmental organizations (NGOs). It draws on new primary sources, especially two sets of oral histories conducted in different time periods.

The next two sections, in order, examine Costa Rica's natural endowment and institutional foundations for tourism; and the role of scientists, NGOs, and the national parks. Following these, the third, fourth, and fifth sections explore the role of entrepreneurs and firms in the creation of the industry and the overall impact of ecotourism on the country. A final section concludes.

## Natural Endowment and Institutional Foundations

Costa Rica's natural endowment was a mixed blessing for the emergence of an ecotourist industry. The country allegedly contains 4 percent to 5 percent of the world's biodiversity in 0.035 percent of its territory; about the size of West Virginia in land area, it has more bird species than all of the United States.<sup>16</sup> It boasts twenty separate "life zones," some 850 species of birds; 1,260 of trees; 237 of mammals; and 361 of reptiles.<sup>17</sup> However, Costa Rica's bounty also invited intensive logging, ranching, monoculture plantations of agricultural commodities, and eventually overdevelopment of some of its sunny beaches, all of which wreaked havoc on its forests and shorelines after the 1950s. Between 1940 and 1980, Costa Rica lost 2.5 million

14. Bull, *Safari*; Moss, *Bird in the Bush*; Lindblad, *Passport to Anywhere*.

15. Above all, see Fournier, *Desarrollo*; Wallace, *Quetzal*; Evans, *Green Republic*.

16. Honey, *Ecotourism*, 160; Steinberg, *Environmental Leadership*, 150.

17. Weaver, *Ecotourism*, 81.

hectares of forest, with annual average deforestation rates reaching their height in the 1970s, at approximately 60,000 hectares per year.<sup>18</sup>

Costa Rica developed a growing domestic beach tourism market between 1950 and 1980, and began to improve its transportation infrastructure to service it. The completion of rail lines and expansion of the Pan-American Highway after 1946 eased access from the central population centers to the Pacific beaches of Guanacaste, which later became the most heavily overdeveloped tourism center.<sup>19</sup> The country constructed more roads, raising its total to 30,000 kilometers by 1983.<sup>20</sup> In 1957 the government opened a modern international airport near San José.<sup>21</sup> In the mid-1970s, work began on a second airport to serve the Guanacaste tourist region, but it was not opened to international air traffic until 1996.<sup>22</sup> In 1945 Pan Am, the Costa Rican government, and private investors established the national airline, LACSA, which operated routes to Miami and Latin American capitals. During the 1980s, LACSA became the largest Central American carrier.<sup>23</sup>

The government created the National Tourism Council in 1931, which it replaced in 1955 with the Costa Rican Tourism Institute (ICT), both of which mainly promoted domestic travel.<sup>24</sup> The ICT was explicitly permitted to declare and protect national parks, but it never moved beyond preliminary studies.<sup>25</sup> What international tourism there was—approximately six thousand to seven thousand tourists annually between 1953 and 1954<sup>26</sup>—generally concentrated on visits to beaches, museums, churches, and “typical towns.”<sup>27</sup>

In 1985 the national legislature passed a package of tax incentives, delivered through the ICT, for large-scale tourism investment, including moratoria on property taxes and import duties for construction materials and vehicles. These incentives did not apply to smaller-scale enterprises, which would soon include most ecotourism developments,<sup>28</sup> and even where they did, the government sometimes

18. Gámez and Obando, “La Biodiversidad,” 151. The rate dropped to an average of 43,000 hectares annually in the 1980s; to 13,000 hectares in 1993; and to 3,000 hectares in 2000.

19. Marín Hernández and Viales Hurtado, “Turismo y ambiente,” 185; Honey, *Ecotourism*, 162.

20. Creedman, *Historical Dictionary of Costa Rica*, 139.

21. Rankin, *History of Costa Rica*, 117, 153.

22. Hazel Barahona, “Aeropuerto de Liberia aún no despega,” *La Nación*, May 27, 1996.

23. Davies, *Airlines of Latin America*, 94, 98–102; “Grupo TACA.”

24. Observatorio del Turismo del Pacífico Norte, “El origen.”

25. Evans, *Green Republic*, 56–57.

26. Observatorio del Turismo del Pacífico Norte, “El origen,” 51.

27. Jean Hopfensperger, “Wilderness Adventures Spice Up Local Travel,” *Tico Times*, October 10, 1980 (quoted in Honey, *Ecotourism*, 15).

28. Honey, *Ecotourism*, 162–163.

revoked the privileges prematurely.<sup>29</sup> Tourism policies were often not consistent; for example, new visa legislation in 1986 created high administrative barriers to tourist entry.<sup>30</sup> The ICT tried to involve the private sector in its decisions by creating a joint Tourism Marketing Committee in 1986, but alienated the entrepreneurs by spending the entire budget it had promised the committee, which resigned en masse. One such entrepreneur stated that he “refuse[d] to be part of an organization (ICT) dedicated to the destruction of foreign tourism in Costa Rica.”<sup>31</sup> Once ecotourism had taken off, its advocates regularly denounced the ICT’s lack of interest in the category and its willingness to seize on “green” rhetoric while speeding the approval of large and environmentally destructive developments, such as the beach resorts at Playa Tambor and Papagayo.<sup>32</sup>

The growth of all varieties of tourism was, however, promoted by a level of political stability that set the country apart from its neighbors. Costa Rica had a long tradition of national elections and suffered few disruptions in the democratic selection of presidents after 1920.<sup>33</sup> The major exception was a civil war in 1948, in which the “founding father” of modern Costa Rica, José Figueres Ferrer, used his temporary rule to abolish the military, nationalize the banks, weaken Communist militancy, and insist on free elections after eighteen months of stabilization. In the following decades, Costa Rica alternated peacefully between presidential administrations of Figueres’ party (PLN) and several opposition parties. Both the PLN and the opposition pursued economic policies based on state-led social development, partial industrialization, and continued agricultural exports.<sup>34</sup>

Following Costa Rica’s severe debt crisis in the late 1970s and early 1980s, both factions embraced privatization and other liberalizing reforms. During this difficult period of adjustment, demilitarized Costa Rica avoided the civil wars and dictatorships that engulfed its neighbors in Nicaragua and Panama.<sup>35</sup> Though poverty

29. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Louis Wilson, May 4, 1992, and interview with Mary Ruth, August 21, 1992.

30. Jerry Ruhlow, “Tourism Groups to Battle Law,” *Tico Times*, August 15, 1986, 1, 8.

31. Jerry Ruhlow, “Tourism to Get Private Push,” *Tico Times*, August 1, 1986, 1, 3; Jerry Ruhlow, “Tourism Committee Resigns,” *Tico Times*, August 29, 1986, 1, 4.

32. Honey, *Ecotourism*, 164–167. For impressions of the ICT, see the text below.

33. Wilson, *Costa Rica*, 11–14, 18–23.

34. *Ibid.*, Chapter 4; Rankin, *History of Costa Rica*, Chapters 8–9.

35. For a relatively favorable account of these reforms, see Hidalgo Capitán, *Costa Rica en evolución*, Chapters 2 and 3; for a negative view, see Weinberg, *War on the Land*, Chapter 12.

and surrounding Central American instability disrupted Costa Rica's still-nascent tourism industry in the early- to mid-1980s, it subsequently recovered, particularly after President Arias was awarded a Nobel Peace Prize in 1987. The prize provided a strong global signal of the country's commitment to peace, stability, and cosmopolitan and democratic traditions, and generated widespread interest in Costa Rica.<sup>36</sup>

By 1987 the country had also become well known among biologists and conservationists. Statutory and regulatory attempts at environmental protection dated back to the nineteenth century, but for decades execution was poor.<sup>37</sup> Beginning around 1960, however, a series of public and private initiatives, both domestic and international, began to build up the scientific ideas and organizations and the national parks that would serve as a major impetus to ecotourism.

### Scientists, NGOs, and the Creation of National Parks

The institutional basis for the scientific understanding of both the country's biodiversity and the need to protect it were laid quite early. The National School of Agriculture, integrated into the new University of Costa Rica in 1940, served as a locus for incipient conservation thought.<sup>38</sup> So, too, did the locally based Inter-American Institute of Agricultural Sciences (later known as CATIE), established in 1942, which would prove to be both a major source of scientific understanding of Costa Rican biodiversity and of conservation activism after 1960.<sup>39</sup> Biologists from Costa Rica and the United States soon established a series of other institutions that would educate a new generation of conservationists and protect forests and wildlife in more than name only.

In 1959, drawing on U.S. philanthropy, American herpetologist Archie Carr established the Caribbean Conservation Corporation, Costa Rica's first NGO, to provide funds for the protection of the sea turtle nesting beach at Tortuguero.<sup>40</sup> Two other institutions founded by U.S. scientists are of particular significance for the later development of ecotourism, as they subsequently came to operate private reserves. In 1962 Leslie Holdridge, Robert Hunter, and Joseph Tosi established the Tropical Science Center (TSC). It was designed to

36. Weaver, *Ecotourism*, 84; Rovinski, "Private Reserves," 56.

37. Fournier, *Desarrollo*, 22–51; Evans, *Green Republic*, 54–57.

38. Fournier, *Desarrollo*, 40–43; Steinberg, *Environmental Leadership*, 52–54.

39. Evans, *Green Republic*, 23–25; Steinberg, *Environmental Leadership*, 54.

40. Davis, *Man Who Saved Sea Turtles*, esp. 111–117; Wallace, *Quetzal*, 41–42.

conduct research in biology, agronomy, and forestry, to consult with other organizations such as CATIE, and to promote conservation through lobbying and direct land management.<sup>41</sup> The following year, a consortium of six U.S. universities and the University of Costa Rica, guided by Rafael Rodríguez Caballero and Jay Savage, founded the Organization for Tropical Studies (OTS) to create a research station for their tropical biologists.<sup>42</sup> These institutions and others would soon provide education in biology and conservation and support the creation of parks and private reserves.

Beyond Costa Rica, scientists in this era were developing the new ideas of conservation biology and biodiversity. The latter concept was intimately connected with scientists' and environmentalists' efforts to preserve tropical rainforests from at least 1972 onward.<sup>43</sup> Biodiversity received a formal definition in 1980 and considerable attention and funding from U.S. universities, government agencies, and media after a series of publications and conferences, including the National Forum on Biodiversity.<sup>44</sup> It connected especially well during the 1980s with the campaigns to "Save the Rainforest" by various environmental NGOs, including the World Wildlife Fund, Rainforest Alliance, and Rainforest Action Network. Building on the international orientation of environmentalism in the 1970s, these organizations worked to promote public awareness in the United States and Europe of developing nations' deforestation, through media reports and boycotts of companies whose supply chains were enmeshed with rainforest destruction.<sup>45</sup> These NGO campaigns and media reporting on them unquestionably increased non-scientists' demand for travel to experience the rainforest in the 1980s, as tropical forests shifted in public perception from hot and hostile jungles to rainforests that contained beauty and amazing diversity. Ornithology enthusiasts, too, soon followed the scientists and conservationists in expanding their international horizons in an attempt to add to their lists of bird sightings. While various companies began to cater to them after 1960,<sup>46</sup> local tour operators and private reserve owners in Costa Rica also found that bird-watching became one of their first strong market segments.<sup>47</sup>

41. Evans, *Green Republic*, 26; Fournier, *Desarrollo*, 58–59.

42. Fournier, *Desarrollo*, 58.

43. Farnham, *Saving Nature's Legacy*, 214.

44. *Ibid.*, Chapter 1.

45. Rawcliffe, *Environmental Pressure Groups*, 28; Dauvergne, *Historical Dictionary*, liii, 148.

46. Moss, *Bird in the Bush*.

47. Interview by Andrew Spadafora with Efraín Chacón, June 7, 2014; Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Carlos Coles, August 26, 1992, and interview with Peter Aspinall, October 13, 1992.

Scientists and NGO activists were not the only émigrés concerned with preserving nature in Costa Rica. In the early 1960s, Olof Wessberg and Karen Mogensen, a couple who had immigrated to Costa Rica from Sweden in 1954 in search of a natural, tropical paradise, secured funding from international conservation NGOs to protect the Cabo Blanco region of the Nicoya Peninsula. This became the first formally protected biological reserve in the country in 1965.<sup>48</sup>

Even earlier, in 1951, a group of American Quakers had moved to Costa Rica and begun dairy farming in the remote and sparsely populated mountain community of Monteverde.<sup>49</sup> At the outset, they agreed to set aside a five hundred hectare preserve of cloud forest to protect their watershed; out of inspiration for the area's natural beauty, they named it the *bosque eterno* (eternal forest). In 1972 a visiting graduate student named George Powell persuaded the TSC to solicit grants to purchase the land and neighboring forests, where incursions by squatters and loggers threatened the habitat of the resplendent quetzal, one of Costa Rica's most notable birds. Holdridge, Hunter, and Tosi also sought to cover the costs of protecting the area by generating revenue through visitation, and they built a field station for researchers, a visitors' center, and constructed a trail system and camping area. Scientific researchers sometimes volunteered their services in exchange for lodging, and the reserve became so popular with them and their students that it was the subject of a BBC documentary in 1978, which launched Monteverde's career as an ecotourist destination more broadly. Two thousand visitors in 1978 became nearly seven thousand in 1983, and reached a temporary plateau at fifty thousand throughout the early 1990s. As a private reserve, Monteverde was able to charge visitors more than the national parks, and could generate enough revenue to pay for its upkeep even before the ecotourism boom.<sup>50</sup>

Holdridge had also bought some land on the Sarapiquí River north of the capital. In 1968 he agreed to sell the reserve, known as La Selva, to OTS for use as a tropical biology field station; it was eventually connected by a corridor to the Braulio Carrillo National Park.<sup>51</sup> At least sixteen hundred researchers stayed at La Selva between 1963 and 1988, averaging more than three return trips per visitor, and a surveyed sample claimed a high level of influence on colleagues by word-of-mouth recommendations.<sup>52</sup> Although La Selva provided

48. Wallace, *Quetzal*, 6–10.

49. For Monteverde, long the most popular Costa Rican ecotourism destination, see especially Aylward et al., "Sustainable Ecotourism in Costa Rica," 323–328; Honey, *Ecotourism*, 184–189; van Gulik, *Green or Gold*, 89–93.

50. Boo, *Ecotourism*, 38.

51. Wallace, *Quetzal*, 108–111; Honey, *Ecotourism*, 193.

52. Laarman and Perdue, "Science Tourism in Costa Rica," 206, 211–212.

only basic accommodations and permitted only narrowly limited tourist occupancy at a relatively high price,<sup>53</sup> it helped to generate much of the awareness of the potential for nature travel to Costa Rica, which was later directed to Monteverde, the national parks, and to commercial ecotourism enterprises.<sup>54</sup> Altogether, “science tourism” generated an estimated US\$1 million in revenues in 1976, and a decade later La Selva and OTS alone brought in US\$1.5 million, or approximately 1.3 percent of overall tourism spending in the country.<sup>55</sup>

Scientists not only catalogued Costa Rica’s biodiversity, promoted conservation, and protected and operated important private reserves, but they also helped prefigure the idea of ecotourism. In pioneering classes and publications, the American biologist Kenton Miller, of CATIE, and his Venezuelan–Costa Rican student Gerardo Budowski articulated the notions of “ecodevelopment” and park-based conservation driven by revenues from responsible nature tourism. Miller and Budowski sought to combat a common attitude within the scientific and conservation communities that biologically valuable forest and marine areas should be cordoned off from human visitation. Instead, they argued in favor of a “symbiotic” relationship between non-extractive land use and nature protection, in which the former would generate revenue and lead to community acceptance of conservation in place of agricultural development. Through their influence on a young graduate student, Mario Boza, these ideas led directly to the national park system and the rise of ecotourism.<sup>56</sup> Boza, inspired by Miller’s teaching and a visit to U.S. national parks in 1967, developed a concrete plan for creating a park at Poás Volcano. In 1969 he then took to Costa Rica’s daily newspapers to weigh in on the forestry law under debate and to advocate seriously for a Costa Rican park system that would generate revenues from international tourism, much as in East Africa.<sup>57</sup>

In the same year, the Costa Rican legislature passed the Forestry Law, which envisioned a multiuse approach to the nation’s forests embracing conservation, tourism, controlled extraction, and research. It explicitly allowed for the creation of the National Parks Department within the Agriculture Ministry, and the 27-year-old Boza became the

53. Blake and Becher, *New Key to Costa Rica*, 126, observed that a day at La Selva, including access to the trails, three meals, and rustic accommodations, cost \$60 in 1986.

54. Honey, *Ecotourism*, 194.

55. Gerardo Budowski, “Tourism and Environmental Conservation,” 30; Laarman and Perdue, “Survey of Return Visits to OTS,” 17.

56. Evans, *Green Republic*, 24; Miller, *Planning National Parks for Ecodevelopment*; Gerardo Budowski, “Tourism and Environmental Conservation.”

57. Evans, *Green Republic*, 73–75; Wallace, *Quetzal*, 14–15.

head of the new department.<sup>58</sup> Supported by Alvaro Ugalde, then still a student (and later Boza's successor) and by influential political figures, including First Lady Karen Figueres and later President Daniel Oduber, Boza began a process of declaring protected areas throughout the country and gathering the money to buy the land within them. At the end of the 1980s under a new leader, Alvaro Umaña, and recognizing the need to include local people in the financial benefits of the parks, the park service shifted from mere nature protection toward the idea of sustainable development.<sup>59</sup> Sustainability became a central concern of the Costa Rican government in 1994, when President José María Figueres explicitly integrated it into the country's development strategy and reformed the forestry law. In the same year, the park service raised entrance fees from \$1.50 to \$6.00 for non-citizens to increase funds,<sup>60</sup> and by 1998, the state financed 50 percent of the park system's operating costs and the entrance fees financed 30 percent.<sup>61</sup>

Boza was always more enthusiastic than Ugalde and others about allowing tourism within the parks and using the revenues generated for their conservation.<sup>62</sup> Some believed that the parks should be devoted to nature preservation alone, and looked askance at the perceived overdevelopment around some U.S. national parks. There were also persistent funding problems, however, which intensified after 1980 and made the total exclusion of visitors unworkable. The bulk of the government's funds, international aid, and donations were devoted to purchasing land within the declared park boundaries, leaving negligible budgets for park infrastructure and security. No lodges or guided tours, and few visitors' centers or trails, were made available anywhere by the park service.<sup>63</sup>

Without national parks, ecotourism in Costa Rica would have been a smaller and more precarious business. The parks were always a significant draw for private tour companies, making it worth investing to operate tours. As one entrepreneur, Michael Kaye, put it in the early 1990s, a major reason why nature tourism was better business in Costa Rica than elsewhere in Central America "was that there were parks here, that there was good reason to believe that the resources would stay protected, so as to justify the investment of time and energy to get the parks known."<sup>64</sup> Nevertheless, without private accommodations

58. Evans, *Green Republic*, 64–73.

59. See, especially, Evans, *Green Republic*, Chapters 4–8; and Wallace, *Quetzal*, 11–106 and Chapter 17; Fournier, *Desarrollo*, 62–75.

60. Evans, *Green Republic*, 229.

61. René Castro, personal communication.

62. Evans, *Green Republic*, 171 and Wallace, *Quetzal*, 118, 190–191, 193.

63. Honey, *Ecotourism*, 170–172.

64. See Wallace, *Quetzal*, 121.

and tour companies, few international or even Costa Rican tourists would have visited the parks and paid admission fees. As they benefited from the work of the scientists, conservationists, and park officials who had come before them, an array of environmentally minded entrepreneurs helped secure those protected areas as well as private lands. The next section turns to these entrepreneurs.

## Tour Operators

As travel to the parks and to non-profit private nature reserves such as Monteverde and La Selva began to grow in the mid-1970s, a small number of for-profit nature tourism enterprises appeared as well, often on an informal basis within sharply limited geographic areas. Then, beginning in 1978, several tour operators and private reserve proprietors with strong environmental principles and international connections led the way in creating the commercial market, joined by a wave of other companies after 1985, when the country's recovering economy and reputation for ecotourism began to attract a growing numbers of visitors. These early businesses were started both by Costa Ricans and by expatriates from the United States who had been drawn to Costa Rica in the 1970s.

Regardless of their nationality, the interests and attitudes of many of these entrepreneurs had been shaped by new cultural developments of the late 1960s and 1970s, including the counterculture, the increasing availability of international travel and adventure in the jet age, and the growth of popular environmentalism. In the 1960s, the international counterculture, which reached beyond the small bohemian communities of earlier generations to embrace millions of educated, middle-class youths, emphasized the search for personal authenticity, opposition to materialism and the mores of elders and Cold War leaders, and the "unrealized spiritual and ideological demands" of prosperous youth and adults with access to leisure.<sup>65</sup> Many of these desires found expression in international travel, which allowed for increased feelings of mobility, independence, and cross-cultural understanding, supported institutionally by the growth of youth hostel networks and relaxation of some visa and travel restrictions.<sup>66</sup> They were reflected in the 1960s environmental movement as well as the growth of expatriate communities of young Americans and other nationalities that sought to build alternative lifestyles abroad, where

65. Suri, "Rise and Fall," 51.

66. Jobs, "Youth Movements."

they believed conditions were less constricting.<sup>67</sup> The environmental movement was propelled not only by popularizations of ecological ideas, such as Rachel Carson's book *Silent Spring* (1962), but also by the involvement of student protesters and middle-class women who shared countercultural goals of authentic living, communing with nature, and opposition to some forms of capitalism.<sup>68</sup> As this section will suggest, ecotourism entrepreneurs—and particularly tour operators—often drew inspiration from these ideas in operating businesses that allowed them to share and promote their values.

Table 1 lists the major tourism enterprises in the country that were established for, or converted to, a primary focus on ecotourism between 1975 and 1993, which can be regarded as approximately the end of the truly pioneering era and the start of the mainstreaming of ecotourism in the country. This section focuses on some of the earliest and most innovative tour operators. It examines how the entrepreneurs who founded them came to their environmental convictions and addressed a set of threats and challenges to expand their businesses and, in the process, facilitate the creation of the ecotourism industry.

Early domestic tourism in Costa Rica had long focused on the country's beaches, and so it is perhaps unsurprising that the first internationally oriented nature tour operators had their start along the Caribbean and Pacific coasts as well. Florida-born tourism entrepreneur Archie Fields established a company in 1972 that in the 1980s became one of Costa Rica's largest mainstream and nature tour operators under the name Swiss Travel. Shortly thereafter, he opened the Río Colorado Lodge for tarpon fishing in the Caribbean. Not yet a true ecotourism enterprise, the lodge emphasized its air-conditioned comforts, but Fields was also involved in marine conservation efforts and offered early nature trips known as "Jungle Tours."<sup>69</sup>

On the Pacific coast, too, boating and fishing drew young, countercultural U.S. nationals seeking an alternative lifestyle in Costa Rica. In 1975 Californians David and Cecelia Reid began offering group sightseeing cruises of the coastline and small islands, despite travel agents' skepticism.<sup>70</sup> In the same year, two young Americans, Louis Wilson and Mary Ruth, first took patrons of the Hotel Tamarindo on boat trips up the Playa Grande estuary and on "turtle tours" to view the large nesting populations of leatherback sea turtles then present near Tamarindo. An informal operation known at first as "Papagayo

67. Churchill, "American Expatriates."

68. Rome, "'Give Earth a Chance.'"

69. Todd Staley, "Remembering Archie Fields," *Tico Times*, July 18, 2011; for the Jungle Tours, see frequent advertisements throughout the 1980s in *Tico Times*.

70. Adams, "Discovery of Costa Rica."

Table 1 Ecotourism Enterprises in Costa Rica, 1975–1993

Name of Enterprise	Founder(s)	Founder's Original Nationality	First Year Involved in Ecotourism
Papagayo Excursions	Mary Ruth, Louis Wilson	United States	1975
Caminos de la Selva	Carlos Coles	Costa Rican	1976
Costa Rica Expeditions	Michael Kaye	United States	1978
Tikal Tours	Bary Roberts	Costa Rican	1978
Rara Avis	Amos Bien	United States	1983
Horizontes	Tamara Budowski, Margarita Forero	Costa Rican	1984
Ríos Tropicales	Rafael Gallo, Fernando Esquivel	Salvadoran	1985
Marengo Biological Station	Guillermo and Sergio Miranda	Costa Rican	1985
Selva Verde	Giovanna Holbrook	United States	1985
GeoTur	Sergio Volio	Costa Rican	1985
Finca Rosa Blanca	Glenn Jampol	United States	1985
Savegre Mountain Lodge	Efraín Chacón	Costa Rican	1986
Hacienda Baru	Jack and Diane Ewing	United States	1987
Arenal Observatory Lodge	John Aspinall	Costa Rican	1987
Tiskita	Peter Aspinall	Costa Rican	1987
Hotel Las Tortugas	Louis Wilson, Marienela Pastor	United States Costa Rican	1991
Villa Blanca	Rodrigo Carazo, Estrella Zeledón	Costa Rican	1991
Hotel Si Como No	Jim Damalas	United States	1993
Lapa Rios Ec lodge	John and Karen Lewis	United States	1993

Note: The table includes several enterprises that are not discussed in the text but which nevertheless were also instrumental in developing Costa Rican ecotourism, such as Arenal Observatory Lodge, GeoTur, Selva Verde, Tiskita, and Villa Blanca. Although it includes the principal ecotourism enterprises between 1975 and 1993, the table is not a complete list of all businesses involved in Costa Rican nature tourism.

Vagabonds,” financed by an heiress friend and designed to support their lifestyle of surfing, fishing, and living in harmony with nature, the business was eventually incorporated as Papagayo Excursions. Although this might be regarded as one of the very first truly ecotourist ventures in the country, it faced formidable challenges. As Wilson later pointed out, the local residents and San José travel agents initially mocked the tours’ prospects. “We were considered to be the fringe,” he observed, as the existing tourism industry expected international tourists to be interested in urban sights, but “they didn’t realize that what people really wanted to see was nature.” The ICT was no better, insisting that nature tours were unlikely to generate any interest.<sup>71</sup>

71. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Louis Wilson, May 4, 1992.

Nonetheless, Papagayo Excursions began to draw international tourists, especially Americans, but also Canadians and Europeans, and even managed to expand visits from abroad during the early 1980s in the midst of a recession by marketing their environmentally friendly catch-and-release deep-sea fishing expeditions.<sup>72</sup> The turtle-watching tours remained Papagayo's focus until the second half of the 1980s, when larger companies captured market share and numerous unlicensed boat tours, operated by former turtle-egg poachers, lowered both safety and ecological standards.<sup>73</sup> Beginning in 1986, Wilson and the Costa Rican Marianela Pastor worked together to establish a wildlife conservation area at Tamarindo, and they also constructed the Hotel Las Tortugas, building in protections for minimal impact on the beaching turtles.<sup>74</sup> Ruth continued to run Papagayo, which possessed a seven-boat fleet and employed eighteen people by 1992, but she had become disillusioned with the possibilities of ecotourism, reflecting on the growing ignorance of the tourists and the damage done by unlicensed ("pirate") operators and by overcrowding.<sup>75</sup>

A year after the first turtle-watching trips at Tamarindo, Carlos Coles, a young Costa Rican nature enthusiast and entrepreneur, established the first company in Costa Rica devoted to rainforest tours. Coles had studied biology and hiked the country's coasts and mountains in the early 1970s. He first began putting this familiarity with the land to use in guiding family friends who had come to visit from the United States. Inspired by a friend who had worked in wildlife conservation in Kenya, he decided to create and market tours that emphasized Costa Rica's flora and fauna. His company, Caminos de la Selva, or Jungle Trails, operated only in the dry months from December to April, and took three or four groups on multiweek camping excursions. With Coles as guide and with two other employees, Jungle Trails drew mainly wealthy British tourists who had developed an interest in nature tourism. Coles continued his studies in the other months of the year, and the company did not operate year-round until 1986. Jungle Trails remained small, and although it survived into the 1990s, it employed no more than seven workers. In fact, between 1978 and 1980, Coles himself worked most of the year as a guide for

72. *Ibid.*

73. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Mary Ruth, August 21, 1992.

74. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Louis Wilson, May 4, 1992.

75. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Mary Ruth, August 21, 1992.

another travel company, Costa Rica Expeditions, which was engaged in promoting a new form of nature tourism.<sup>76</sup>

Michael Kaye founded Costa Rica Expeditions in 1978 as a white-water rafting company and quickly developed his business into the largest ecologically oriented nature tourism enterprise in Costa Rica. Kaye had been raised in Manhattan, but was devoted to the outdoors, and began whitewater rafting in California in the early 1960s.<sup>77</sup> At first working as a road manager for 1960s music bands,<sup>78</sup> Kaye and a partner then established a successful low-cost, high-volume rafting company in California called Mother Lode. After three years, Kaye sold his shares and subsequently traveled to Central America in the mid-1970s to explore new rafting opportunities.<sup>79</sup> There he met a Salvadoran woman who became his wife, and the couple found themselves drawn to Costa Rica by its political stability, openness, and potential as a rafting destination.

Kaye established Costa Rica Expeditions shortly thereafter, partnering with a Costa Rican citizen in order to satisfy the governmental licensing requirement, eventually buying out this nominal partner when he himself became a Costa Rican citizen. He also hired Rafael Gallo, a Salvadoran engineer and river guide. Kaye, Gallo, Coles, and others scouted rivers around Costa Rica and led rafting parties. However, Kaye recognized that the high-volume model he had used in California would not be workable in a country where rafting was as yet largely unknown. Using his expatriate status to his advantage, Kaye focused instead on drawing smaller numbers of North American tourists to an unfamiliar but highly promising destination and providing them premium service. He later noted that he “didn’t have enough cultural knowledge, even with all the time in Latin America, to sell to this market” in the early years.<sup>80</sup> Many local residents were also underserved owing to the firm’s emphasis on small numbers and premium pricing. This left room for Gallo to leave Kaye’s operation amicably in 1985 to start his own ecologically sensitive rafting enterprise, Rios Tropicales, with partner Fernando Esquivel, to focus more on the domestic market.<sup>81</sup>

76. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Carlos Coles, August 26, 1992.

77. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

78. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Jim Lewis, November 2, 1992.

79. *Ibid.*; Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

80. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

81. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Fernando Esquivel, July 30, 1992.

By 1985 Costa Rica Expeditions was much more than a rafting company. Kaye had quickly found that the U.S. and Canadian tourists he brought in wanted to see more of Costa Rica after several days' rafting. In the mid-1970s, he had observed the potential for "natural history tours," or scientifically guided forest hikes, when taking groups to cloud forests in Guatemala, and saw them as an opportunity for new business. The risks such tours faced in Guatemala—he had once scheduled a tour to an area that turned out to have been unexpectedly clear-cut—were obviated by Costa Rica's system of parks and private reserves. So, in 1979, he hired Jim Lewis, a U.S. biologist who had been consulting with the TSC, to become a guide and director of natural history tours. By 1980 Kaye's company offered tours to the Santa Rosa, Corcovado, Chirripó, Tortuguero, and Isla de Coco parks,<sup>82</sup> and by 1988 its staff of fifty included naturalists, ornithologists, entomologists, horticulturalists, and other trained guides.<sup>83</sup>

Costa Rica Expeditions thus brought increased revenue to the parks and provided the guiding and accommodations services that the park service could not afford to budget. As demand grew rapidly, Kaye found it difficult to provide satisfactory accommodations for his tour groups owing to the lack of control over the service standards of local lodges. Consequently, in 1986, when the opportunity arose to buy a hotel in Tortuguero, where Costa Rica Expeditions had been sending clients, Kaye arranged a loan from a U.S.-backed private bank and bought the hotel.<sup>84</sup> Eventually the company vertically integrated by purchasing several other properties, including a hotel at Monteverde, which it built in 1991 to guarantee lodging at the popular destination during the ecotourism boom.<sup>85</sup> Kaye intended to invest in long-term operations in Costa Rica, rather than to repatriate his profits to the United States, and the purchase of hotels was one step in that direction.<sup>86</sup>

By 1991 some 75 percent of Kaye's twenty thousand annual clients came to Costa Rica for natural history ecotours, spending an average of \$148 a day in the country.<sup>87</sup> In 1994 his company had 180 employees,

82. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Jim Lewis, November 2, 1992; Quesada Castro and Guier Serrano, *Ambiente y turismo sostenible*, 346.

83. "Vast Tourism Resources Untapped in Costa Rica," *Wall Street Journal*, October 20, 1988.

84. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014; Jerry Ruhlman, "Tour Operators: Don't Overlook Our Fishing!," *Tico Times*, October 3, 1986, 17.

85. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

86. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Jim Lewis, November 2, 1992.

87. Rovinski, "Private Reserves," 46–47.

the great majority of them Costa Ricans.<sup>88</sup> It continued to grow throughout the 1990s, taking advantage of the opportunities for direct marketing provided by the Internet by becoming a partner in one of Costa Rica's first Internet service providers in 1994.<sup>89</sup> Although it was widely regarded as a green company, and Kaye became involved with the International Ecotourism Society, local chapters of environmental NGOs occasionally criticized Costa Rica Expeditions for its relatively high volume. On one occasion, the Rainforest Alliance ecotourism project even refused to rate the company in its first green travel certification program (discussed below) over a difference of opinion about the "social" component of responsible ecotourism.<sup>90</sup>

Nonetheless, Kaye's early environmentalism, which was at first aesthetically and then ecologically motivated, had strongly influenced his view of how nature tourism should be conducted. Before moving to Latin America, he had spent significant time at Yosemite National Park, and shared the growing countercultural consciousness that environmental problems required active protest and opposition. He became involved with Martin Litton, a fellow rafter, Sierra Club board member, and important figure in environmentalist circles. Kaye particularly came to share Litton's longstanding opposition to river dams for their destruction of riparian ecology and natural beauty, despite the highly positive common opinion of hydroelectric projects at that time. He opposed several dams on California rivers, but the protests merely delayed construction, which was the major factor prompting Kaye to sell his shares in Mother Lode and leave the state. Not for the last time, Kaye's environmental views and his business interest in protecting the river for rafting were aligned.<sup>91</sup> After moving to Costa Rica, Kaye said of his vision of the industry in a 1980 interview: "Tourism should contribute to, rather than exploit [the land]."<sup>92</sup> He later argued explicitly that operating in an environmentally and culturally sensitive way made both business sense and ethical sense. Costa Rica Expeditions hired local people as guides and installed solar-powered heaters and sound waste treatment systems such as biodigesters at

88. Costa Rica Expeditions Company Records, Michael Kaye, "Profits, Prestige, and Repeat Business," May 15, 1994.

89. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

90. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Richard Holland, August 28, 1992.

91. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

92. See Honey, *Ecotourism*, 15; and Michael Kaye, "Responsible Travel to Natural Areas," *Condé Nast Traveler*, November 2002.

its properties.<sup>93</sup> In the 1990s, over industry opposition, the company argued that park fees should be raised to increase funds for conservation, and it donated more than \$100,000 to the parks and NGOs for environmental protection, which Kaye regarded as “money well spent, keeping our product attractive and worthwhile.”<sup>94</sup>

Not long after Costa Rica Expeditions diversified from rafting into ecotourism, other travel companies run by Costa Ricans with international connections joined in. As Kaye led his first rafting groups in 1978, the 28-year-old Costa Rican Bary Roberts was pondering how to expand inbound tourism without generating destructive overdevelopment. Roberts was the son and grandson of Protestant missionaries with roots in Canada, and who in the 1960s had discovered a passion for travel in North America, Africa, and Europe. As a teenager, he had shared the counterculture’s wanderlust to the degree that he had hitchhiked from Costa Rica to Los Angeles, and sought, as he remarked, to be “open to the world.” While completing his degree in economics at the University of Costa Rica at the beginning of the 1970s, he took a position with Pan Am, but he also cultivated a farm. He enjoyed working in the travel industry, the international orientation of which aligned with his personal goals and values, and when given the opportunity in 1975 to sell his farm in exchange for a small existing travel agency known as Tikal Tours, he took it.<sup>95</sup>

At the time, Tikal’s principal business involved ticketing Costa Rican outbound tourists and packaged bus tours to sights elsewhere in Central America, but Roberts sought to bring more international visitors to Costa Rica. He had a cautionary experience in 1976, however, when a trip to the Spanish town of Sitges revealed the damage caused by intensive beach tourism in the decade since his first visit there. Motivated by his family’s Christian vision of stewardship and by his friendship with Mario Boza and Alvaro Ugalde, Roberts was determined to avoid creating a new Sitges in Costa Rica. Through his stepbrother, who worked in the government, he arranged a meeting in 1978 with Maurice Strong, the Canadian businessman and organizer of the first U.N. conference on the environment in Stockholm in 1972, who was visiting Costa Rica.<sup>96</sup> Strong had bought some beachfront

93. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

94. See Bangs, “Meet the Godfather of Ecotourism”; Costa Rica Expeditions Company Records, Michael Kaye, “Profits, Prestige, and Repeat Business.”

95. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Bary Roberts, June 9, 2014; on the Roberts–Strachan family, see Roberts, *One Step Ahead*.

96. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Bary Roberts, June 9, 2014.

property on the Caribbean coast, which he would later develop into a resort, creating a minor controversy during the 1992 U.N. Earth Summit in Rio de Janeiro.<sup>97</sup> At the time of his meeting with Roberts, however, he sought to preserve the property from destruction and had incorporated a company, which he named Ecodesarrollos S.A. (Eco-Development), to hold the land. Roberts impressed Strong with his vision of increasing inbound tourism without causing cultural or environmental damage; to encourage the younger man, Strong offered him an investment equal to a quarter of the value of the company. The Canadian would serve as a silent partner until 1992, when Roberts reacquired the shares from Ecodesarrollos.<sup>98</sup>

Buoyed by this investment and by what he learned from Strong about environmentally friendly development, Roberts weathered the threats to tourism from the recession and Central American instability of the early 1980s. At Strong's suggestion, he began to explore the idea of "ecological tourism" for inbound tourists.<sup>99</sup> "There was a lot that could be done that was not being done, particularly in the way of educating the clients themselves, and creating a positive impact on the [natural] areas instead of destroying them like most tourist centers," Roberts reflected in 1992.<sup>100</sup> He attempted to develop nature tourism packages for international clients, and taking a cue from the name of Strong's enterprise, Tikal was the first travel company to use the word "ecotourism" in Costa Rica. Indeed, Roberts registered the term as a trademark in 1985, as the general concept was becoming popular. The trademark led to controversy with other tour operators and later the International Ecotourism Society, which regarded it as an attempt to co-opt a common enterprise, while Roberts argued that it was a way to protect the concept from being watered down by widespread use.<sup>101</sup>

Roberts also faced skepticism from some competitors and environmental organizations over his other innovation during the mid-1980s: the introduction of ecotourism itineraries to large chartered tours that had previously been focused on beaches and urban sights. For several years, the Smithsonian Institution, National Geographic, the World Wildlife Fund, the Audubon Society, and numerous U.S. universities had brought small groups of people to Costa Rica, generated business

97. Michelle Sheaff, "Summit Organizer Charged with Violating National Laws," *Tico Times*, June 5, 1992, 1.

98. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Bary Roberts, September 9, 1992.

99. *Ibid.*

100. *Ibid.*

101. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Bary Roberts, June 9, 2014.

for Tikal Tours, Costa Rica Expeditions, and other firms, and subsequently advertised Costa Rica's natural wonders in their magazines and television programs.<sup>102</sup> "But," noted Roberts, "the great majority of the people are not getting to see" what the environmental organizations' members saw. He sought to create a "mass production [form of] tourism that could present the natural resources, but at the same time be a way of funding and protecting [them], and be a way of raising consciousness of the ecological problems."<sup>103</sup>

In 1986 Roberts convinced the Canadian wholesaler Fiesta Wayfarers Holidays Ltd., which at the time brought thirteen thousand clients to Costa Rica annually on chartered flights, to include ecotours operated by Tikal in its itineraries. The following year, Tikal managed about a third of Fiesta's business in Costa Rica, providing its own guides and buses but subcontracting hotels. Roberts named the tours "ecosafaris," and offered four throughout the country, including one devoted to rafting and horseback riding. The clientele was quite different from those traditionally attracted to ecotourism: Roberts occasionally had to explain that there would be no elephant sightings on a Costa Rican ecosafari. They expected greater comfort, and Roberts eventually built his own ecolodge at Lago Coter in order to exert greater control over the quality of the experience while maintaining ecological standards. At first, Tikal's competitors saw Roberts' approach as conceding too much to a purely "commercial" form of ecotourism, and he was not able to generate as much new business from environmental groups as he had hoped.<sup>104</sup> As ecotourism grew in the 1990s, this view of Tikal began to change even as the company drew ever-larger numbers of tourists from Canada, the United States, and Germany, and competitors would later view Roberts' enterprise as a genuine green company rather than a "greenwasher."<sup>105</sup>

Another path to leadership in the ecotourism industry was traced by Tamara Budowski and Margarita Forero. In 1984 the two women, both aged twenty-four, established Horizontes Nature Tours. Budowski was the daughter of the prominent Venezuelan-Costa Rican forest biologist Gerardo Budowski (mentioned earlier as the student of American biologist Kenton Miller) and a Panamanian mother, and Forero's grandparents were Colombian and German immigrants to Costa Rica.<sup>106</sup>

102. Ibid.; Young, "Eco-Enterprises," 362.

103. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Bary Roberts, September 9, 1992.

104. Ibid.

105. Ibid.; interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

106. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014; "Ana Margarita Forero," in Rodriguez Chaverri, *Mujeres pioneras*, 140.

When young, Budowski had lived in Berkeley, California, as well as in Paris and Switzerland, and changing schools and languages with such frequency led her to feel “more a citizen of the world than a citizen of any country” and to appreciate the emphasis on cross-cultural harmony and understanding that marked the 1960s counterculture. She later described herself as “very much influenced” by the counterculture, the peace movement, and the environmental movement of that era.<sup>107</sup> Her father’s work also exposed her from an early age to biological and ecological studies, and particularly to the developing idea of biodiversity, as well as to the connected normative drive to protect threatened natural environments, all of which she later pursued at university. Her childhood was, moreover, marked by prolonged and repeated international nature travel.<sup>108</sup> While abroad, she later recalled, “we would go to national parks in different areas of the world, like northern Africa or Kenya, Tanzania, Sri Lanka, [and] Latin America. So I grew up, in a way, doing ecotourism.”<sup>109</sup> Both Budowski and Forero broke with family expectations in order to work in the travel business. They met and became friends at the technical college in Cartago, which offered a new degree program in tourism. They camped in the Costa Rican national parks and then pursued further business training abroad. Budowski studied marketing in Miami, Florida, where she was alerted to the problems of mass tourism development, and Forero specialized in tourism administration in Salzburg, Austria.<sup>110</sup>

Upon their return to Costa Rica, Budowski worked at the student travel organization OTEC for a year, and throughout 1983 she and Forero traveled to various Costa Rican parks, enjoying the adventure of backpacking and planning the opening of their own conservation-oriented travel company.<sup>111</sup> Lacking capital, they secured an outbound-only license and initially focused on ticket sales as they continued to research and explore destinations for future inbound clients.<sup>112</sup>

107. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

108. See Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Tamara Budowski, September 21, 1992; also interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

109. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

110. *Ibid.*; “Ana Margarita Forero,” in Rodríguez Chaverri, *Mujeres pioneras*, 141–146.

111. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

112. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Tamara Budowski, September 21, 1992; “Tamara Budowski,” in Rodríguez Chaverri, *Mujeres pioneras*, 151–152.

Throughout 1984 and 1985, they built their capital and reputation and developed an alliance with Sergio Miranda, a family friend of Forero, who was beginning to develop the Marengo private reserve near Corcovado National Park (discussed below). This arrangement, and Miranda's financial resources, allowed Budowski and Forero to devote themselves to "leading naturalists to the country's most attractive wildernesses," while Miranda gained a channel through which to market Marengo.<sup>113</sup> As Budowski later reflected, "They didn't have the travel knowhow, but they had financial resources and they had a hotel. We had the knowhow—we didn't have money, and we didn't have other assets, and it seemed like the perfect alliance. ... And we created Horizontes together."<sup>114</sup> In 1986 Horizontes began offering nature tours of the national parks and Monteverde to the wholesale travel trade, primarily in the United States.<sup>115</sup>

In its first decade, Horizontes was heavily reliant on group business from the United States and Canada, creating tours for conservation and educational organizations. Budowski estimated that such groups made up about 75 percent of their business in 1992, at which time the firm had expanded to employ twenty-eight full-time staff, a majority of them women. The attraction for the conservation organizations was not only Horizontes' well-scouted destinations and intimate knowledge of Costa Rican business customs, which allowed for minimal disruptions, but also the firm's commitment to environmentalism. Horizontes donated to numerous local causes, including the national zoo, as well as scientific and conservation organizations, including the TSC, OTS, Caribbean Conservation Corporation, and Centro de Estudios Ambientales. It offered a free training course to forty guides from all companies to improve the level of biological and ecological knowledge passed on to tourists.<sup>116</sup> In 1992 it combined with Costa Rica Expeditions to establish a \$25,000 fund to meet some of the needs of park service personnel as a way of helping ensure the parks' continuing viability. Like Kaye, Budowski publicly argued in the early 1990s that environmental sensitivity and the protection of nature from overdevelopment was simply good business.<sup>117</sup>

In the 1980s and 1990s, Budowski saw private business and the non-profit scientific organizations, including the TSC and OTS, as building

113. "Ana Margarita Forero," in Rodriguez Chaverri, *Mujeres pioneras*, 147–148. Quotation cited in Evans, *Green Republic*, 222.

114. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

115. "Tamara Budowski," in Rodriguez Chaverri, *Mujeres pioneras*, 154.

116. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014; Galizzi, *Role of the Environment*, 113–116.

117. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Tamara Budowski, September 21, 1992.

the new ecotourism industry largely in the face of indifference from the government, especially the ICT.<sup>118</sup> She argued that for the first decade of ecotourism, “it was private enterprise (hotels, lodges, travel agencies) that got behind it, both nationally and internationally, using advertising and such public relations tools as promotional trips to attract attention to Costa Rica’s natural riches,” and she particularly credited the airline LACSA.<sup>119</sup> Although she later interpreted this positive attitude toward the private sector as a function of 1980s “yuppie” culture, she and Forero also tried to cultivate a company culture that prioritized values like sustainability, philanthropy, and trust, and thus had much in common with the values they detected in their clients.<sup>120</sup> Budowski observed at the 1988 conference of the International Union for the Conservation of Nature that the idea of ecotourism arose from the “search for profound and enriching experiences that characterized the decade of the sixties,” which came especially to embrace “outdoor activities” in the 1970s and health, natural foods and exercise in the 1980s.<sup>121</sup>

In short, tour operators such as Papagayo Excursions, Caminos de la Selva, Costa Rica Expeditions, Tikal Tours, Horizontes, and Sergio Volio’s GeoTur were major actors in the creation of Costa Rican ecotourism. Whether their founders were Costa Rican or American, they sought to incorporate the values they had drawn from the counter-cultural, spiritual, or environmentalist ideas and experiences of their youth into the guiding purposes of their firms. They also possessed international connections that allowed them to market effectively to potential North American and European consumers interested in the fate of the rainforests and of wildlife. Their businesses in turn brought the national parks much-needed funding through an ever-increasing stream of such international visitors.

### Ec lodges and Private Reserves

None of the tour companies could provide sufficient lodging for guests in all of their areas of operation. They relied, as a result, on the growth of private reserves and ec lodges to house their clients and to supplement trips to national parks. Private reserves also drew many ecotourists to the country independently of the tour operators, and as they

118. Budowski, “Ecotourism Costa Rican Style,” 52.

119. *Ibid.*, 52.

120. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

121. Tamara Budowski, “Ecotourism Costa Rican Style,” 50.

directly conserved natural areas outside of the national parks, they often served as “buffer zones” to protect the territorial integrity of the latter. These reserves and ecolodges were often connected with scientific research, but they frequently evolved to offer their own tours of their private land and local areas, especially when in the vicinity of national parks. Many such reserves opened to the public at the same moment, between 1986 and 1987.<sup>122</sup>

The first of these concerted efforts to establish a for-profit reserve in order to protect a local area was that of U.S. biologist Amos Bien.<sup>123</sup> While studying at La Selva, Bien began looking for a way to align the incentive to preserve the rainforest with continued economic development.<sup>124</sup> In April 1983, he decided to open the Rara Avis Lodge as an experiment to prove that intact rainforest could be more profitable than clear-cut land. He formed a Costa Rican corporation, bought a 485-hectare property in 1986 with both bank loans and equity capital, and developed rudimentary accommodations in a former prison building on the grounds. Bien sourced food and other products locally, and employed mostly community residents—fourteen full-time and four part-time in 1992—and gave them an equity stake in the business after two years’ employment.<sup>125</sup> In 1991 Rara Avis was estimated to have brought around US\$80,000 a year to the neighboring town of Horquetas.<sup>126</sup>

Bien welcomed this involvement by the local community because he felt that “if the chainsaw wielders were not part of the project, then it would never work.” In 1986 he brought in students and bird watchers as guests, and in 1989 he built a lodge that could house thirty-two visitors, and added running water, but never electricity, outside the lodge’s common space. Rara Avis attracted guests from across North America and Europe, although the numbers peaked in 1996 when the reserve lost a major attraction: a climbing cable-car system designed by Don Perry of OTS for treetop viewing.<sup>127</sup> Nevertheless, the continued survival of the enterprise as a business alongside its success in conserving the property bore out Bien’s ecotourism hypothesis.

122. For a thoughtful study of the private reserve movement in Costa Rica in the 1990s, see Langholz, “Conservation Cowboys.”

123. This account of Rara Avis relies on an interview with Amos Bien, October 2, 1992, unless otherwise noted. See Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections.

124. Honey, *Ecotourism*, 196; Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Amos Bien, October 2, 1992.

125. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Amos Bien, October 2, 1992.

126. Evans, *Green Republic*, 222.

127. See Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Amos Bien, October 2, 1992.

As Bien was raising capital to buy the original Rara Avis property in 1985, the Costa Rican Miranda family was exploring the possibility of bringing tourists to their remote landholdings on the Osa Peninsula. In 1974 Guillermo Miranda had bought four hundred hectares of primary forest on the Peninsula from the government, intending to start a cattle ranch. He cleared three or four hectares before coming to the conclusion that the property and its wildlife were too beautiful and unique to destroy.<sup>128</sup> Corcovado National Park was established bordering their property in the following year, and when, in the late 1970s and early 1980s, the Mirandas traveled from their home in San José to visit their land, they often encountered biologists seeking transportation and lodging in the area of the park. Recognizing an unserved market, they overcame their doubts about the viability of a business in such a remote location and decided to establish Marengo Biological Station. The name was chosen so as to attract biologists seeking to work in Corcovado or the nearby Isla de Caño National Park, as well as groups of students doing fieldwork for tropical biology courses.<sup>129</sup>

Nevertheless, through the connection with Horizontes that Guillermo Miranda's son Sergio developed in the mid-1980s, the Mirandas began to attract non-academic American clients interested in ecology. Starting with small groups of 55- to 65-year-old professionals, who stayed in eight bedrooms with shared bathrooms,<sup>130</sup> Marengo saw a major increase in tourist visitation beginning in 1988, and by 1992 it offered twenty-five separate rooms in a main lodge building that also housed a restaurant and shop.<sup>131</sup> In these years, the Mirandas not only received bookings through Horizontes, but they also marketed both the region and their lodge at trade shows and advertised in U.S. magazines until the sudden popularity of Costa Rica made advertising an unnecessary expense.<sup>132</sup> The alliance between Horizontes and Marengo was an easy one, as both were committed to the environmental cause. The Mirandas saw providing buffer-zone protection for Corcovado as one of the major purposes of their enterprise, offered three regular nature excursions in their reserve and the nearby parks, and sought to include as many local residents as possible among their sixty to seventy high-season employees. The family determined that

128. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Pedro Miranda, October 14, 1992; for the correct date of 1974, see Miranda, "Estación," 58.

129. Miranda, "Estación," 58.

130. *Ibid.*, 59.

131. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Pedro Miranda, October 14, 1992.

132. *Ibid.*; Miranda, "Estación," 58.

it would be better to offer more luxurious accommodations than to expand the footprint of their property, which remained at twenty-five rooms in 2001 despite demand from visiting cruise ships.<sup>133</sup>

Inland to the north, in the quetzal-filled cloud forest of San Gerardo de Dota, the Chacón family also perceived an opportunity brought about by visiting biologists. Efraín Chacón and a group of hunting companions had first explored the Río Savegre Valley in 1954, when it was untouched primary forest. In 1961 they constructed a dirt trail to the Pan-American Highway, and Chacón brought his family to build a house and to farm and fish for trout.<sup>134</sup> The Chacóns became accustomed to feeding visiting fishermen, and in 1971 they built a small cabin for guests, shortly followed by two others. Although they could not advertise, word spread and tourism gradually supplanted agricultural pursuits as their primary business. In 1978 two researchers from Harvard University were impressed by the profusion of quetzals in the area, published photographs in the United States, and the Chacóns began to host increasing numbers of American bird watchers. They formally incorporated their business, and in 1980 registered with the ICT under the name Albergue de Montaña Savegre (subsequently known variously as Savegre Mountain Inn, Savegre Mountain Lodge, and Savegre Hotel Natural Reserve and Spa).<sup>135</sup>

Two years later, Efraín Chacón came to an agreement with a U.S. university to build a field station on the property for visiting biologists and students.<sup>136</sup> When the travel companies began searching for destinations at this time, they contacted the Chacóns, who provided accommodations for Costa Rica Expeditions, Horizontes, and Caminos de la Selva, among others.<sup>137</sup> The strong interest of the visitors and conversations with biologists caused the Chacóns to see their lands through an environmentalist lens for the first time. Efraín, who had originally had to live in a cave when settling the area, adapted very quickly to the conservationist convictions expressed by foreign guests, who had never known a comparable level of need. He recognized that ecologically sound tourism could be beneficial on several fronts. “If we know how to conserve the forests, and work with the least impact possible,” he later remarked, Savegre would maintain both its natural resources and its visitors.<sup>138</sup>

133. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Pedro Miranda, October 14, 1992; Miranda, “Estación,” 59.

134. Interview by Andrew Spadafora with Efraín Chacón, June 7, 2014.

135. Rodríguez Chaverri, *Efraín Chacón*, 25–29.

136. Interview by Andrew Spadafora with Efraín Chacón, June 7, 2014.

137. Rodríguez Chaverri, *Efraín Chacón*, 29.

138. Interview by Andrew Spadafora with Efraín Chacón, June 7, 2014.

Another of the first ecolodges was also the work of individuals who had no initial commitment to conservation. In 1970 American Jack Ewing arrived in Costa Rica to work in the cattle business, was soon joined by his wife, Diane, and by 1976 came to manage a ranch for a U.S.-based investor group. Called Hacienda Baru, it was a 330-hectare property with three kilometers of beachfront on the Pacific Ocean.<sup>139</sup> In the late 1970s, Ewing became a partner with a one-seventh interest in the land,<sup>140</sup> and engaged first in ranching and then farming until 1982. While living on the property, however, he grew increasingly interested in the surrounding primary forest, and noticed how modern agriculture led the plant life and wildlife to become “out of balance.”<sup>141</sup> He was moved by the killing of a beautiful ocelot and ended hunting on the property, which gave him a reputation as an environmentalist. “And at some point—I don’t remember exactly when—I guess I just stepped into the role,” he later reflected. He and Diane joined the Costa Rican conservation organization known as ASCONA, and contacted OTS to seek reforestation advice.<sup>142</sup>

Beginning in 1982, the Ewings secured the region’s first zoning plan to protect the property, beachfront, and ecologically sensitive areas such as mangroves. Their neighbors’ interest in beachfront tourism led the Ewings at first to look askance at tourism in general.<sup>143</sup> However, after some acquaintances insisted on paying for a guided hike in 1987, the couple began to discuss the idea of running rainforest tours for profit. Both local property owners and Ewing’s own partners thought the idea ridiculous,<sup>144</sup> but made no objection. Hacienda Baru first catered to foreign tourists in 1988, bringing in \$4,500 in its third year and becoming profitable in 1991.<sup>145</sup>

Hacienda Baru’s commercial success helped change the local property owners’ attitudes toward conservation, and several sought to start their own ecotourism businesses.<sup>146</sup> Expatriate U.S. businessman Steve

139. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Jack Ewing, June 3, 2014.

140. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Jack Ewing, November 4, 1992.

141. *Ibid.*

142. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Jack Ewing, June 3, 2014.

143. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Jack Ewing, November 4, 1992.

144. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Diane Ewing, November 5, 1992.

145. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Jack Ewing, June 3, 2014.

146. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Diane Ewing, November 5, 1992.

Stroud bought out the other investors and provided further capital for ecotourism development. In 1994 the Ewings and Stroud added four new cabins for visitors wishing to stay overnight. Jack Ewing continued to offer guided rainforest tours, horseback riding, and a “Night in the Jungle” tour with camping on a raised platform.<sup>147</sup> In 1993 he added a canopy tour that involved climbing into the treetops, and a zip-line tour in 2000. In 1995 Stroud and the Ewings secured National Wildlife Refuge status for the property, further improving its reputation as an ecotourism destination, and drew a steady stream of American, and especially European, visitors after the advent of Internet marketing.<sup>148</sup> “It’s not going to make us rich,” Jack Ewing remarked in 1992, but by providing access to a sizeable private rainforest to biologists, students, and limited numbers of tourists, “we can guarantee the people something they can’t get in the national parks. We can guarantee them that they’re not going to see anybody else when they’re in there.”<sup>149</sup>

Rara Avis, Marengo, Savegre, Hacienda Baru, and equivalent reserves and lodges like Giovanna Holbrook’s Selva Verde provided the accommodations necessary for ecotourists who visited nearby parks, increasing the flow of travelers to Costa Rica while remaining devoted to environmental sustainability. The entrepreneurs who converted these businesses to ecotourism were, on balance, motivated less by countercultural and environmentalist values or enthusiasm for travel than their tour operator colleagues, and more by the importation of American biological and ecological scholarship and the need to serve visiting scientists, bird watchers, and, subsequently, broader categories of ecotourists. They did, however, adopt the conservation orientation of most visiting naturalists, and became proud of the fact that their businesses directly protected valuable or representative lands and supported some scientific research.

### The Impact of Ecotourism and the Growth of Certification

Ecotourism delivered significant economic and environmental benefits to Costa Rica. In 1993 tourism became Costa Rica’s principal export

147. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Jack Ewing, November 4, 1992; Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Jack Ewing, June 3, 2014.

148. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Jack Ewing, June 3, 2014.

149. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Jack Ewing, November 4, 1992.

and source of foreign exchange, surpassing bananas, and remained so apart from a few years in which it was outpaced by microchip production from an Intel plant.<sup>150</sup> The category was estimated to represent a cumulative investment of nearly US\$1 billion from 1986 to 1998, and it employed 10 percent of Costa Ricans in 2000,<sup>151</sup> while large majorities of the nation's tourism businesses remained small scale and located in rural areas.<sup>152</sup> Even as tourism grew, public and private parks and reserves together protected over a quarter of Costa Rica's land area.<sup>153</sup> A virtuous circle of investment and new policies played a role in the recovery of Costa Rica's forests, which, by 2002, had been restored to cover more than 40 percent of the country's land area.<sup>154</sup> The cohort of small but successful entrepreneurs in ecotourism exercised a strong demonstration effect, proving to skeptics in government and the agricultural sector that nature preservation could be commercially viable.

Outcomes were not, however, wholly positive. Conventional tourism flourished alongside ecotourism. There was continued growth of large international hotel chains in the country.<sup>155</sup> Unsustainable resort projects continued to threaten the beaches of Guanacaste and elsewhere. The sudden interest in the environment that swept over the country led to an overuse of the terminology of ecology, providing incentives to engage in "greenwashing," or making false, opportunistic claims of environmental benefits. In terms of Richard Butler's Tourism Area Life Cycle model, Costa Rica as a destination had passed from the "exploration" and "involvement" stages, in which the "science tourists" and committed entrepreneurs had shaped the industry, into the "development" stage of large-scale corporate and governmental involvement. It thereby risked the possibility that the new entrants to the market, driven solely by profit or by the desire to increase national tourism revenues, would overdevelop the industry, jeopardizing the country's natural resources and the position of the pioneering firms.<sup>156</sup> Even for entrepreneurs whose environmental convictions were integrated into their companies' principles, the influx of new and less well-informed tourists created challenges in providing good service and concerns about the potential damage caused by an increase in scale.

Competing for inexperienced international customers with enterprises that offered green rhetoric but little substance was fraught with

150. Honey, *Ecotourism*, 162.

151. Inman, "Tourism in Costa Rica," 18.

152. Gámez and Obando, "La Biodiversidad," 177.

153. Evans, *Green Republic*, 7.

154. Porras et al., *Learning*, 8–9.

155. Gámez and Obando, "La Biodiversidad," 177; Honey, *Ecotourism*, 164–167.

156. Butler, "Concept of Tourist Area Cycle."

risks for the ecotourism pioneers. In the 1990s many individuals, both inside and outside of the industry, consequently became interested in rating and certification schemes. In 1990 Richard Holland and Chris Wille, of the Rainforest Alliance, developed and distributed voluntary guidelines for ecotourism enterprises in Costa Rica. The guidelines consisted of a code of responsible tourist conduct with a commitment to environmental education, and company compliance was to be monitored by student volunteers in exchange for publication in a “recommended” list.<sup>157</sup> Several others followed in the early 1990s, including rating systems by Beatrice Blake and Anne Becher’s English-language guidebook, *The New Key to Costa Rica*, the International Youth Hostel Federation, and the International Ecotourism Society.<sup>158</sup>

The most important effort at developing standards and certification for sustainable tourism in the country came in the mid-1990s through a cooperative effort between the ICT, the industry, and NGOs. By 1992 the ICT was considering establishing its own certification system. From 1994 through 1997, ICT officials Marco Picado and Rodolfo Lizano, Bary Roberts (who had become vice president of the ICT under the new government), Lawrence Pratt (from the Central American Institute for Business Administration, or INCAE), Alfio Piva (of the National Biodiversity Institute, or INBio) and others developed the Certification for Sustainable Tourism (CST). The first version of CST was made available for hotels in 1997 and for tour operators in 2001, and it offered on-site inspections by accredited auditors to verify performance in such areas as water and energy consumption, emissions, waste management, effect on flora and fauna, and impact on the local community. More than one hundred hotels applied for CST certification by 2001.<sup>159</sup> Despite its popularity, CST was also criticized. Roberts, Pratt, Piva, and others were disappointed when a change of government led the ICT to take full ownership of the CST, closing out a continued partnership with the business and environmental NGO communities.<sup>160</sup> Beatrice Blake, and some small- and mid-sized tourism entrepreneurs, complained that the CST’s requirements were unnecessarily expensive and time-consuming, and assisted larger companies

157. Royal G. Jackson Papers, Series II.1, Oregon State University Special Collections, interview with Richard Holland, August 28, 1992.

158. Blake, Becher, and Earle, “Evaluating Ecotourism,” 141–143; Bien, “Environmental Certification,” 138–139.

159. Bien, “Environmental Certification,” 147–149; Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Bary Roberts, June 9, 2014.

160. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Bary Roberts, June 9, 2014.

at the expense of the more innovative smaller ones.<sup>161</sup> These criticisms were indicative of some of the challenges of trying to codify what sustainable tourism actually meant, and more broadly of the incentives of certification schemes that sought to be widely adopted to set metrics at levels that many participants had a realistic chance of meeting.

The new wave of tourists who were the intended beneficiaries of the CST and other certification systems included demographics that had not ventured to Costa Rica in prior years. They brought the opportunity to extend the educational mission of ecotourism, but there were also trade-offs. In the 1990s, so-called “soft” nature tourists included those interested in nature but seeking comfortable accommodations, and those who traveled to Costa Rica because it had become fashionable, yet who had little interest in nature beyond beaches. The former especially created opportunities for boutique hotels and luxury ecolodges, such as Glenn Jampol’s Finca Rosa Blanca, which were quite different in character from early rustic lodges but were equally committed to environmental principles. In addition to Finca Rosa Blanca, which was planned beginning in 1985 and may have been the first boutique ecohotel when it opened in 1989, two of the most innovative and architecturally dramatic were the Lapa Rios Ecolodge, established by Karen and John Lewis,<sup>162</sup> and Hotel Si Como No, established by Jim Damalas. Both opened in 1993 after cooperation between American expatriates and Costa Rican architects. The hotels were designed to appeal to “soft” ecotourists—principally couples at Lapa Rios and families at Si Como No—but still aimed to promote education and rainforest tours nearby. As the advent of the Web during the 1990s opened up new travel booking options, the challenge for such businesses was to remain committed to sustainability, even as Internet comparison-shopping sites focused primarily on price.<sup>163</sup> Even the most environmentally sensitive international tourists still arrived by air, with all of the associated problems of burning fossil fuels.

Tour operators shared growing skepticism about what could be achieved. By the early 2000s, Tamara Budowski took the lack of ecological interest of the new ecotourists, the building of golf courses, the polluting practices of cruise ships, and the commercialized killing

161. Bien, “Environmental Certification,” 150; Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Jim Damalas, June 4, 2014.

162. On this hotel and competitors such as Hotel Punta Islita, see Honey, *Ecotourism*, 167–169, 175–177.

163. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Jim Damalas, June 4, 2014.

of sharks and other animals as a sign that “despite all the efforts,” ecotourism “wasn’t working.” She continued to run her business until 2008, but found herself troubled by it and retired to seek new horizons in esoteric religion and the global ecovillage movement.<sup>164</sup> She was not alone among the pioneering generation of entrepreneurs. Michael Kaye, for instance, noted that consumer purchasing patterns and company reviews reflected no desire to put sustainability at a level with price or comfort.<sup>165</sup> While the multiple gains from ecotourism were evident, by the early twenty-first century, the trade-offs and limitations had also become clear.

## Conclusions

By 2002, when the United Nations declared the International Year of Ecotourism, Costa Rican ecotourism was an impressive success held up as a worldwide model. The country had been rebranded as a natural paradise. The category raised employment and generated considerable income flows.

This article has argued that the ecotourism cluster in Costa Rica was a co-creation of the public, private, and tertiary sectors. Forest and wildlife biologists and other students of ecosystems and biodiversity were vital at the start of the process, as were national and international conservation NGOs. Without the scientists’ and conservationists’ work, little would have been known about Costa Rica’s rainforests and their denizens, few if any national parks would have been created, and little international interest would have arisen for trekking through steamy tropical jungles before they disappeared in the name of progress.

The private sector was also pivotal. Without entrepreneurship, much of it expatriate, the underfunded park service and NGOs alone would not have been able to bring sufficient numbers of tourists to Costa Rica to contribute to the maintenance of the parks. Multiple small-scale entrepreneurs helped ensure that formally protected areas remained sustainable parks and reserves by providing revenues, education in conservation to tourists, community development and jobs, international demand for tourist travel, and self-regulation to ensure that tourism was a net benefit to the nation’s forests and wildlife. Although the category was highly fragmented and spread over

164. Interview by Andrew Spadafora with Tamara Budowski (Mahalakshmi), June 6, 2014.

165. Creating Emerging Markets Project, Baker Library Historical Collections, Harvard Business School, interview with Michael Kaye, June 5, 2014.

different locations, clustering within the country created positive externalities for new entrepreneurs to enter the industry who could also learn from knowledge spillovers. The perceived commercial viability of many ventures reinforced the case to policymakers and others that forests and wildlife could be worth more when preserved than when used for ranching or farming.

Many of the original ecotourism entrepreneurs were not born in Costa Rica. They were often expatriated Americans who came to the country in search either of biological riches to study or a peaceful society. They brought ecological ideas, whether at the level of academic biology or environmentalist convictions, and together with Costa Rican biologists and environmentalists helped to spread these ideas widely. Costa Rica's stability and openness to foreigners allowed these entrepreneurs, as well as Costa Rican nationals, to start the businesses that created the industry.

At the same time, the creation of the national image of a natural paradise enabled many businesses that were not environmentally sustainable to free ride on the growing demand for ecotourism. Mass tourism continued to grow, particularly on the beaches of Guanacaste. Greenwashing constituted a serious threat to principled ecotourism businesses. Even the latter faced the dilemma that arose when they expanded the scale of their operations in the 1990s beyond the small number of already committed ecotourists. By 2000 some original ecotourism entrepreneurs were concluding that they could not alter the nature of tourism entirely. They were left with preserving their own forests and wildlife, maintaining a high level of sustainability in their own operations, and hoping to convey their message one tourist at a time.

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